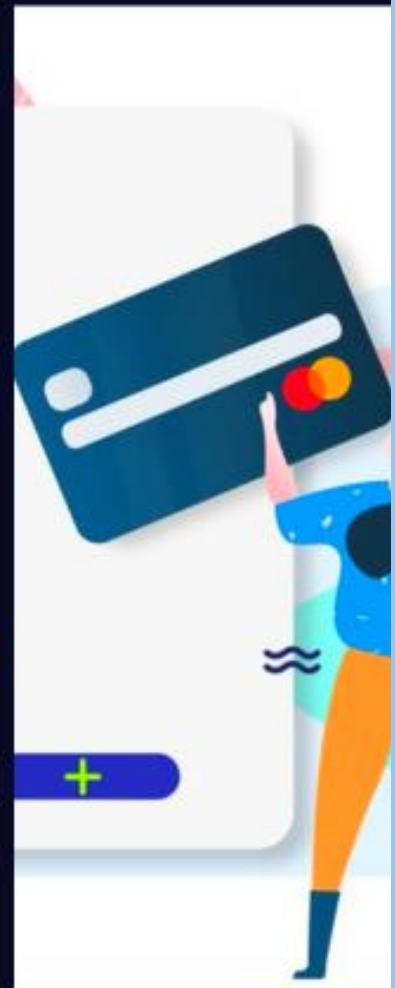


For Omnichannel Retailers



THE FESTIVE SHOPPING REPORT

SHOPPING HABITS, CUSTOMER
EXPERIENCE AND PURCHASE
DECISION DRIVERS

BY

D&I CONSULTING

What is the new normal and how will shoppers respond to the festive shopping this season?

The disruption of the retail industry in the past 7 months from the pandemic, to the #endsars protests and all the drama that ensued, shook the industry to its knees. But in the midst of chaos and uncertainty comes opportunities for those looking for it. The few days left in 2020 presents online retailers a golden opportunity to finish the year strong.

As the festive shopping period approaches, the questions retailers would love answered include how shoppers will respond or their expectations for Black Friday, Christmas celebrations and other related promotions.

To connect with shoppers and boost conversions in the midst of this economic uncertainty, retailers will need to get answers to:

- Where customers plan to shop
- When customers plan to shop
- How much consumers plan to spend
- Factors that will drive their purchase decisions
- Social media platforms they're mostly active on

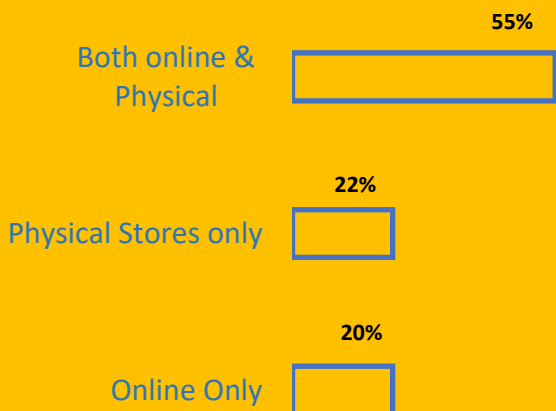
D&I Consulting polled over 398 shoppers that visited the mall first week in November to learn what consumers are looking for in their seasonal shopping experience.

Continue reading to see how to convert these shoppers into customers.

FESTIVE SHOPPING HABITS

The place where shoppers decide to buy will be determined largely by a number of factors which will be discussed in much detail later. However, the battleground for wooing shoppers and converting them into customers just got heated. The lockdown has caused a seasonal shopping shift towards online market places although 55% say they will shop at both physical stores and online retailers. An additional 20% say they will shop online only.

WHERE WILL THEY SHOP?



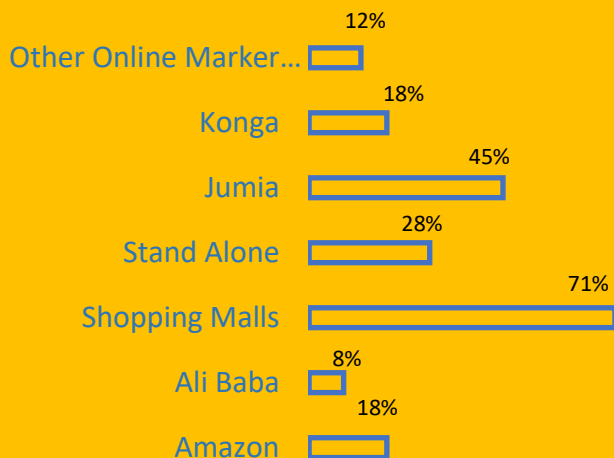
More consumers will be shopping both online and at physical locations this festive season. This represents a 48% increase from last year. No doubt consumer behaviour post-lockdown period has been reshaped by fears, new isolation-induced habits and physical distancing restrictions.

And though this is good news for online retailers, the implications are vast. If 71% will be exploring shopping malls and 28% say they will explore standalone retail stores this season, online retailers cannot afford to fold their arms thinking it will be a smooth sail.

This just presents an opportunity for online retailers to convert new customers since 66% will be spending about the same amount as last year and Christmas not changing as customer top gift buying season.

One would anticipate less feet heading to physical stores for the rest of the year and it is only logical. The UK is currently on another wave of lockdown and depending on the results from the US elections, President Elect Joe Biden may

WHERE SPECIFICALLY?



may introduce another lockdown. This may inform the government's decision on restricting movement if deemed necessary.

Whatever pans out, there has never been a better time for online retailers to expand their territory into brick and mortar customer base.

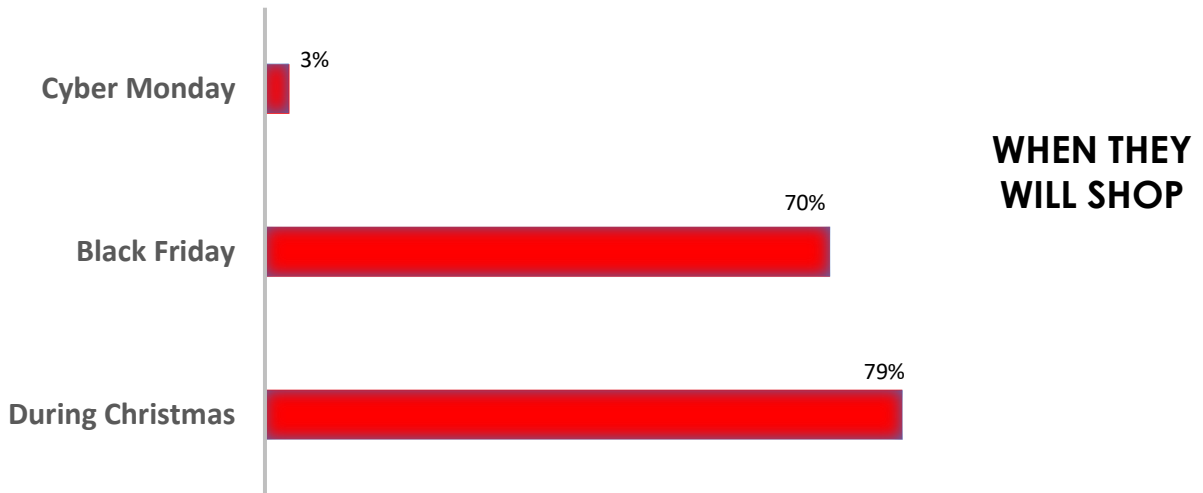
For shoppers concerned about health and safety, It is expected they avoid outdoor queues and physical contact in favour of nabbing desired items online.

The implications include striking a balance between customer and staff safety with supply chain issues.

And then there's the state of the economy; shoppers and retailers alike will be affected by the current inflation rate for instance.

But it is not all negative inclinations. Online retailers are presented with an opportunity to ramp up online services and optimize processes.

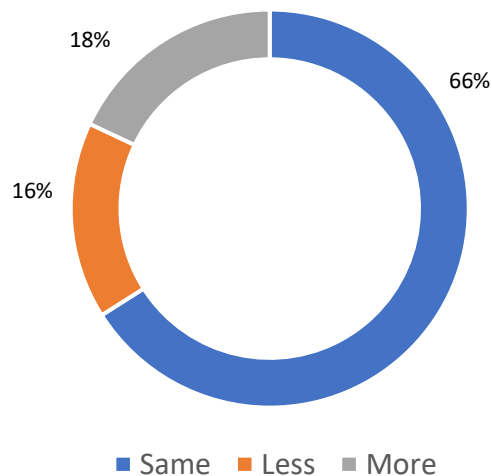
TIMING



Christmas remains shoppers' biggest gifting season and bonding time for family and friends. And the pandemic has played a huge role in people embracing support systems and generally being more appreciative of things normally taken for granted. Black Friday on the other hand is a shopping activity to scoop the best available deals and value for money.

Cyber Mondays are not as popular. Bogus claims and discounts were the major reasons cited. Shoppers are a lot more savvy and they will pick it up. Irrelevant promotions or not seeing familiar brands on sale is a huge turnoff. Perhaps online retailers want to extend it as part of Black Friday or create a different twist to that day to make it fresh as chances are shoppers may have bought all the good stuff. Cyber Monday is also not a major gift buying season.

If ads were done on products, how did they perform? What product categories did very well? Were most shoppers first time buyers? What products are the most sought-after and in excess presently? Adjust feedback from previous learnings and your analytics to create a better shopping experience.



PLANNED SPEND

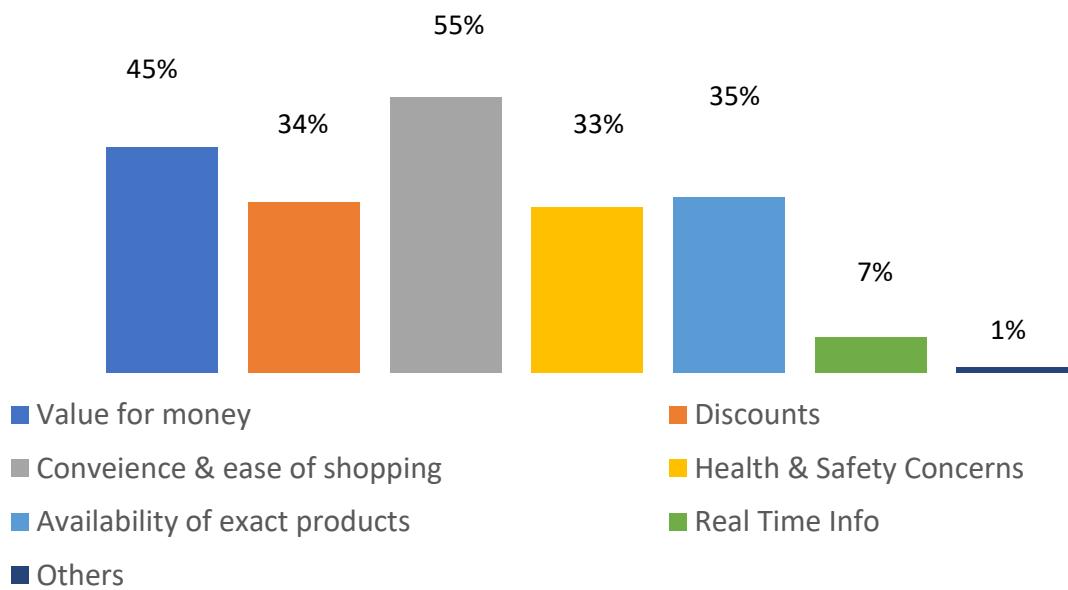
How much shoppers will spend will be hugely determined by the state of the economy. It is why majority of shoppers are being conservative and looking to spend about the same as last year. Good news is majority of shoppers plan to maintain last year's spend while 18% plan to spend more.

16% will be spending less than last year and they will be focusing on value ahead of discounts. Value in terms of use and savings. They will not be buying a Juicer Extractor simply because it's discounted at 10%, but because it is a trusted household brand and it's going for 40% off this weekend only. And if the shopping is a lot more convenient, even the better.

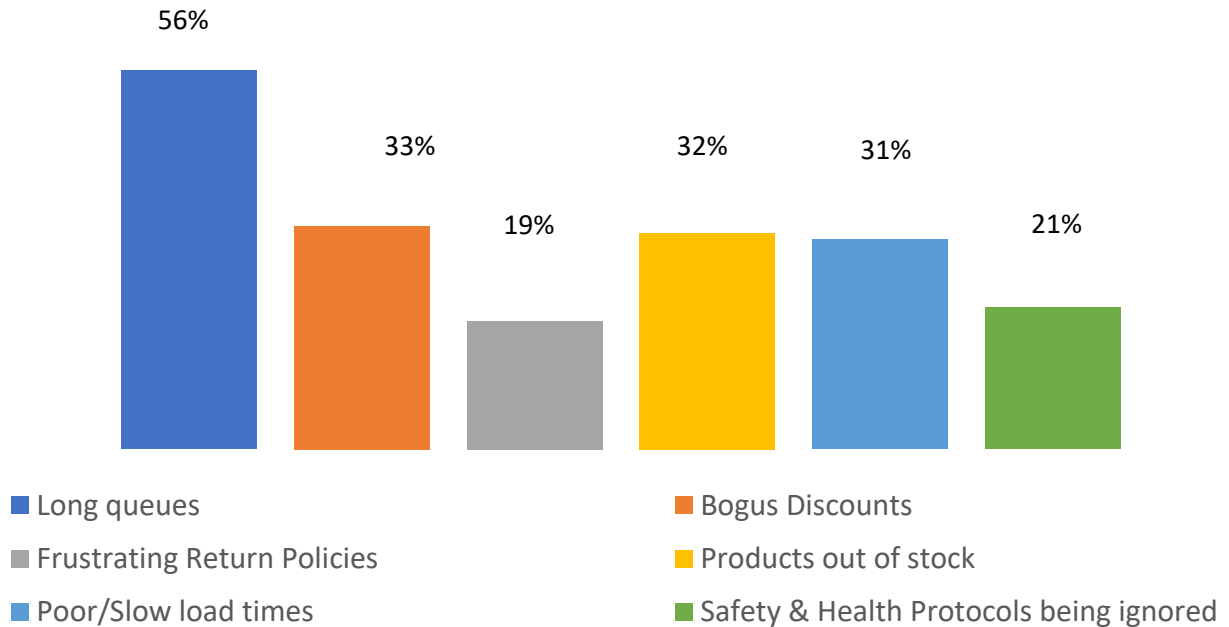
So what is likely to happen is an influx of shoppers hoping for reductions and discounts. And these shoppers will have options as competition will be aggressive. Which brings us to factors that will drive purchase.

DRIVERS OF PURCHASE DECISION

As aforementioned, value for money and discounts will be key purchase decision drivers this year. Convenience will be very tricky as many shoppers (55%) have indicated they will be shopping online and in-store. However, health and safety concerns and the traffic in Lagos not looking like abating anytime soon will play to the advantage of online retailers. To attract as many shoppers as possible to the online store, the customer journey map must be thoroughly analysed. The hope is that a lot of data and feedback have been gathered and at what point to make this year's experience a lot more seamless.



TOP FRUSTRATIONS WHEN SHOPPING DURING THE FESTIVE PERIOD



Difficulty in getting into the parking lot during peak periods, long queues, health and safety protocols not being adhered to by many shoppers and even sales representatives are the major bane to the ideal shopping experience in-store. And it plays to the advantage of the online retailers. With the number of omnichannel shoppers to grow significantly this season, work needs to be done in areas such as flexible delivery options. Online retailers can acquire fulfilment centres at busy shopping malls and can also start working on becoming omnichannel.

Online retailers also need to optimise their website to manage a massive number of orders with the best possible service. They must avoid being too busy at the backend and abandon customer service in the process. That could be counterproductive as shoppers are buying from different platforms and comparing notes.

People are also spending more time on their smartphones with working from home a popular arrangement with a lot of employers. So it is imperative the website is optimised for mobile experience as well.

Out of stock is a common frustration encountered by shoppers both in-store and online and it's a major demotivator. Worse still it has a negative impact on trust which will eventually erode brand equity in the long run.

Again, efficiency is key. If products are sold out online, retailers need to make sure the information is updated and when it will be restocked or pulled down completely from the website.

And retailers will not get away with bogus discounts this time around as shoppers have at their disposal a plethora of options to compare notes.



CUSTOMER EXPERIENCE

With long queues, sloppy customer service and bogus discounts listed as major frustrations when shopping around the festive period, online retailers have the chance to not only change that narrative this season, but to welcome more conversions that may have opted for in-store experience.

If customers are vocal about their frustrations such as products out of stock, unclear delivery policies, then this must be addressed. For example retailers can give consumers the option to receive back-in-stock email alerts or provide information about nearest store with availability for omnichannel retailers.

31% complained about poor/slow load times as their experience last year. Despite that, most shoppers are willing to try online retailers this year. And that's because they have also experienced sloppy, slow customer service in-store as well.

Online retailers also need to offer a simple and seamless e-commerce experience — from browsing to researching, selecting, purchasing, and returning/exchanging. Customers will no longer tolerate sub-par digital shopping experiences like they may have before the pandemic. This includes a mobile-responsive integrated services that delivers a consistent, reliable digital experience across devices and channels.

Convenience and fear of contracting the virus will be a key factor in converting shoppers into customers and online retailers must be ready.

In-store vs online experience



PLATFORMS RETAILERS SHOULD CONSIDER DURING THE FESTIVE SHOPPING PERIOD



25%



15%



45%



23%



2%



16%

The power of social media remains unmatched. Shoppers have responded, saying these are the major platforms ideal for sending them marketing messages.

So far in 2020, an estimated 3.6 billion people were using social media worldwide. For Black Friday and Christmas, promotions have to start early, then intensify as the dates gets closer.

Any retailer not leveraging on social media should embrace it right away. It would be a huge mistake to ignore the role social media plays. "Likes" and "retweets" should not be mistaken for engagement. Engagement is what matters. And once the content speaks to their [circumstances](#) or needs, they will reach out on that platform. And when they do, a staff should be available to respond with timely, real time information.

Instagram is the most popular platform followed by emails and WhatsApp. By now Black Friday promotions should have been shared with existing subscribers/email list. Retailers ought to increase the frequency of their newsletters and posts on all social channels to deliver a unified message.

One caveat is to ensure the information is relevant. One way to fix that is by segmenting shoppers based on their purchase history, and interests. Whoever said retail was easy.



48%



52%

SUGGESTIONS FOR THE FESTIVE SHOPPING SEASON

- Research extensively highly coveted products. Feedback from sales associates, comments on social media channels can help with ideas.
- Competition will be very fierce so real time information, intelligent, accurate will be very important. This includes targeted marketing and ecommerce tactics that consumers perceive helpful not intrusive.
- Plan to reward shoppers that were kind enough to share their information with you by Incentivise account creation with access to pre-sales and discounts.
- As a surge in online shopping activity is expected during this festive shopping season, in order not to get overwhelmed, update FAQs and redirect shoppers there for guidance. Your returns policy should be highlighted here as well.
- Carry out a web optimisation and performance test before Black Friday and the Christmas season to deliver fast, convenient and seamless experience.
- Focus on value in promotions holding dear transparency and honesty.
- Leverage the reach and power of social media to connect with people. If that is where the customers are, that is where a retailer wants to be as well.
- If budget will permit, use keyword search relative to the promotions from Black Friday to Cyber Monday and Christmas.
- All the strategies and plans in the world will amount to nothing without empowered staff with a clear workflow on campaigns. At [Davenport & Islington](#), we have got training programs that will enable your team make the best of the festive season and boost sales generally.



CONCLUSIONS

The pandemic has probably reduced the discretionary income of many shoppers so it is anticipated these same shoppers are likely to search for reductions and discounts on coveted products. Value for money is what will drive this behaviour. Retailers must then work backwards, analysing the entire customer journey map from search to visits and more importantly discover most sought after items.

Shoppers will be embracing the most convenient pleasurable experience which is why they will be shopping both virtually and physically. Strong communication with consumers will be a winning strategy which is why having an omnichannel presence is so important. Shoppers have indicated the social media platforms they are active on. So campaigns and marketing should be relevant, accurate and timely. The more channels of communication available, the greater the advantage. Product pages should be optimized and touchpoints respond to customer queries swiftly.

Christmas will attract the most feet and so Black Friday may be the last attempt to clear stock and make room for Christmas inventory. So efficiency in ordering inventory in a more accurate fashion (trimming waste) and better communication to customers if items are low, out of stock will be a winner.

If it is convenient, there's perceived value for money, relevant and safe, shoppers will be check it out and buy too. All the focus is on physical stores and low compliance of shoppers particularly in busy retail locations. But Online retailers need to ensure their supply chain are not negligent too. There have been cases of unhygienic practices from staff within the supply chain.

What we can confirm though, is that shoppers will experiment this season due to price or other seemingly rational considerations as their loyalty is only as strong as their last transaction. And unless the brand is huge and a market leader, shoppers will not tolerate sub-optimal service. But they will come back to retailers that deliver a better, seamless experience after the festive period is over.

OUR TWO CENTS

Retailers have to put customer insights at the heart of what they do. It's that simple. It's more about how you make people feel than anything else. Creating an emotional bond with customers now becomes integral in such a volatile, disruptive and competitive retail space.

Customer experience is at the heart of today's retail industry. Every interaction with a consumer is important. From the warmth of staff responding to a WhatsApp chat, the body language of your in-store sales associate, the ease of navigating through your website, to the ease of browsing through your shelves. These moments and every touchpoint are critical, and must be measured and optimized to complement other marketing efforts.

D&I Consulting is an International Marketing Consultancy & Creative Communications Agency and our purpose is to enable clarity in the market place. We execute this using our PLISM framework to diagnose the issue and help brands maximize their potential in the market place.



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